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TO: **Michelle F. Barczak, Esq. & Ray Pilon**
Dept. of the Army @ Buffalo District, Corps of Engineers

FAXNo: (716) 879-4292

PAGES: 13, including this cover page

DATE: March 17, 2000

FROM: Linda R. Shaw, Esq.

SUBJECT: The Somerset Group *Right of Entry Agreement*

COMMENTS: *"We will hand deliver the original letter, agreement and exhibits on Monday, March 20, 2000."*

Linda Shaw

*** WARNING ***

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183 EAST MAIN STREET, SUITE 1250, ROCHESTER, NEW YORK 14604

March 17, 2000

Michelle F. **Barczak**, Asst. District **Counsel**
& Ray **Pilon**, Project Manager
Department of the Army
Buffalo District, Corps of Engineers
1776 **Niagara** Street
Buffalo, New York 14207-3 199

Via Facsimile: (716) 879-4297

Re: Right of Entry Agreement

Dear **Ms. Barczak** and **Mr. Pilon**:

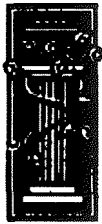
Enclosed is a revised Right of Entry/Settlement Agreement. Hopefully, the newly proposed Agreement can serve as the principal focus of our discussion during the scheduled March 20, 2000 meeting. Unfortunately, the one page Right of Entry Agreement attached to your October 21, 1999 correspondence was inadequate given the circumstances surrounding the need for a follow-up agreement and when compared to the previous October 7, 1996 Agreement.

I. Comparison of 1996 and Proposed 1999 Right of Entry Agreement Revealed Need for Newly Proposed Right of Entry/Settlement Agreement

Specifically, you substituted the original name on the Agreement -- "Right of Entry for Environmental Assessment and Response" -- with the name -- "Right of Entry for Construction". The former name that appeared on the October 7, 1996 Agreement, is far more appropriate. However, given the history of damage caused to the property during past remedial activities, an irrevocable right of entry shall not be possible at this time. A temporary license agreement providing a right to access the property for the purpose of conducting specific activities should be more than adequate given the nature of the work to be performed at the site in the near future.

Moreover, there were many important provisions in the October 7, 1996 Right of Entry Agreement that have been left out of your proposed 1999 Agreement. Among other things, the former 1996 Agreement:

- entitle the Owner to "copies of the final results and analysis" of environmental sampling;
- require the Government to "restore the Property, . . . replace or remove any pavement or other cover which was damaged . . . reconnect any utility lines and facilities which were required to be disconnected or are otherwise disturbed or damaged"; and
- pursuant to its obligations under the Federal Torts Claim Act (28 U.S.C. 2671, et seq.), "undertake the necessary payment" for any damages caused.



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K O E G E L
& S H A W
L L P

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& Ray Pilon, Project Manager
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None of these provisions, or similar provisions, appear in your October 21, 1999 proposed Right of Entry Agreement. To the contrary, your agreement limits the value of any claim that John Syms or Somerset Group may have to the fair market value of the land. Given the known contamination on the property, it would be fair to say that the site no longer has any market value other than to one entity – the United States of America. Moreover, despite specific language in the 1996 Agreement requiring ACOE to restore the property, the October 21, 1999 correspondence accompanying the proposed Right of Entry Agreement suggests that only ACOE's contractor is responsible for damage to the property. As a result, our proposal is entirely new, but based on standard site access/ settlement agreements currently used by the environmental legal profession.

II. Miscellaneous Issues Raised in Mr. Pilon's October 21, 1999 & Ms. Barczak's November 16, 1999 Correspondence Should be on the March 20th Agenda.

A number of issues raised in Ms. Barczak's November 16, 1999 correspondence to Ronald Kuis, Esq. are related to the Agreement, and should also be included on the March 20th meeting agenda.

A. Chemical Waste Line Remediation Project Incomplete Until RI/FS Investigates Subsurface Soils and Groundwater Under the Lines and Other Appropriate Areas of Concern

In Ms. Barczak's November 16, 1999 correspondence, the following representations are made: "[a]s of October 15, 1999, all chemical waste sewer work on Mr. Syms' property has been completed" and "a safe and successful removal action . . . found . . . no material remotely close to being explosive in the lines." These representations appear to contradict statements made to me personally by Mr. Pilon at Restoration Advisory Board meetings. For example, prior to the implementation of the chemical waste line remediation project, Mr. Pilon indicated to me that test results revealed chemicals in the lines were close to the explosive level. As a result, an explosive expert had been hired. Subsequently, upon asking the question whether subsurface and groundwater sampling would be conducted after the line clean out phase of the remediation, Mr. Pilon answered in the affirmative.

All of the above raises several important questions: Why were no chemicals allegedly found in the lines when previous testing revealed near explosive levels of contaminants? Where is the data proving that no explosives were found in the lines? Mr. Syms has not received data for years and has not received this data. Did the chemicals migrate out of the lines during the remediation or dissipate in vapor form? Or was a serious mistake made during previous tests conducted before cleaning out



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the lines? Will ACOE or its contractor be evaluating the subsurface soils and groundwater under and in the vicinity of the lines during the RI/FS to make a conclusive determination that the site is not contaminated from such chemicals? And finally, where does the groundwater data disclosed at the March 1999 initial RAB meeting come from? This data apparently revealed lithium RDX and boron contamination in groundwater. We have been attempting to discover the source of this data through Freedom of Information requests for almost one year without success. We request the you be prepared to answer these questions at the meeting.

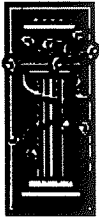
As you know, historical studies commissioned by the government reveal that chemicals were left in the lines. Therefore, we strongly disagree with your conclusion that the chemical and TNT line remediation is complete until subsurface soils and groundwater are adequately sampled in representative locations and such samples confirm that the Site is in fact clean.

Since our client is of the opinion that samples have been improperly collected at unrepresentative locations in the past, in order to facilitate the RI/FS, Mr. Syms shall provide to the ACOE the As-Built Plans for the Site pursuant to the terms of the Right of Entry/ Settlement Agreement. These plans should provide you with the detailed information necessary to correctly prepare a scope of work for the RI/FS site investigation. Therefore, the Agreement offers site access and the as-built plans in exchange for a settlement fee to recover fund expended to obtain the plans, input on the RI/FS process, guaranteed receipt of sample results and several other contingencies.

B. Scope of Asbestos Removal Work in Delivery Order 01 Has Not Been Satisfied

You have indicated in your November 16th correspondence that the ACOE is unwilling to perform any asbestos work beyond the removal of some transite asbestos panels, which remain on the surface of the ground and which were identified in Mr. Pilon's October 21, 1999 correspondence. We hope your position on this issue changes by March 20th, particularly after you review the pictures in Exhibit A attached to the newly proposed agreement. It is hard to believe that the ACOE would engage in a \$1 million asbestos removal action that was specified to leave significant quantities of asbestos on the surface of the ground as revealed in pictures and buried three - five feet deep in subsurface soils. A project is not complete if the contaminant of concern is still present. If the contract terms in this case deem the work complete, the contract was improperly drawn. Similar statements have been made at RAB meetings, and I have vehemently disagreed with the minutes of the meeting, asking that such statements be stricken from the record and corrected in subsequent minutes.

A quick review of the contract history reveals that Delivery Order 01 has not been satisfied



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Roy F. Weston Inc. allegedly hired Acres International to perform an **asbestos study** in the winter of 1997, which unfortunately only revealed **50 percent** of what Mr. Syms now believes is **asbestos-containing material still present on the property**. Given the **weather conditions** that winter, it was very difficult to **locate** ail of the buried asbestos. Therefore, when **Weston prepared the plans and specifications** in May 1998, they clearly stated that the asbestos remediation contractor may find **additional areas** of asbestos **contamination**. If this were to **occur**, the **specifications** called for the contractor to have promptly notified **ACOE**, which was to have acted **appropriately** under the circumstances. In addition, the **specifications** called for the contractor to **perform a survey** in the **areas suspected of containing asbestos** contamination, **comply with applicable rules and regulations**, and **maintain adequate drainage**.

Interestingly, the **ACOE's** contract with **EQMI** (namely, Delivery Order 01) was executed by the **ACOE** on August 20, 1997, almost one year before the plans and specifications were prepared in May 1998. This was also **EQMI's** first contract with **ACOE**. The contract states that the contractor was required to prepare a work plan that followed the plans and **specifications**. However, when **EQMI** was awarded the contract, there were no **draft** or final plans and **s** **pecifications**. Correspondingly, **EQMI** did not follow the May 1998 specifications. There was no **survey** performed or depth stakes used during the asbestos remediation project. Shortly after the **project began**, Mr. Syms called the **Baltimore ACOE's** office and spoke to **Justina Wesley** expressing a number of **concerns** regarding the nature and scope of the project's implementation.

On September 9-10, 1998, Ms. Wesley sent **Vernon Griffin** from the **ACOE Baltimore** office to observe the project. Mr. Griffin arrived at the Site and provided oversight during the **Building 601** remediation project. Mr. **Griffin's** report discloses numerous **NESHAP** and **OSHA** violations. For example, he noted that **Building 610** was not enclosed during the abatement **project**, water used for **pressure** washing and generated during other abatement activities was not containerized but allowed to run back onto the property recontaminating surface soils, and soil containing **friable** asbestos was **observed blowing** around site.

During the **remediation** project between **August-December** 1998, the contractors intentionally destroyed metal beams owned by **Somerset Group** that were inside of **Building 610** to dispose of as **scrap metal** in **exchange** for cash. When Mr. Syms asked the contractors to stop destroying and selling his metal materials, the contractors **plugged** culverts and drainage lines on the property in what appeared to be direct retaliation for the loss of their **lucrative** side scrap metal recycling business. Once **EQMI** and **EP&S** left the Site on December 6, 1998, **Harold Liggett**, a **ACOE** contract officer, walked the site with Mr. Syms. They found many additional areas that contained **asbestos**. Since the **ACOE** has not been back to the Site for more than one year to complete the asbestos remediation, areas of the Site that contain **asbestos** have now been marked to warn **ACOE** contractors and the



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public of the potential danger.

Given this contract history, we believe it would be in the best interests of the ACOE and United States of America to properly survey the asbestos containing areas and fully complete the asbestos remediation work by remove all of the remaining asbestos on the Site. In previous correspondence, Ron Kuis provided Mr. Pilon with a copy of an Administrative Complaint, CAA-III-112, dated July 22, 1998, filed by EPA Region III against a respondent with similar site conditions. Given the Site conditions as they exist today, the ACOE and its contractors have violated and continue to violate 40 CFR Part 61, Subpart M, Sections 61.140 - 61.156, National Emission Standards for Asbestos and various OSHA regulations. In addition, we are concerned that Mr. Syms and his wife have been exposed to asbestos.

Based on the experience Mr. Syms has had with all of the previous contractors who have worked on his Site and the potential claims he may file against them, we request that none of these contractors be used to perform any of the remaining work at the Site. These contractors include the original asbestos remediation contractor and subcontractor, EQMI and EP&S, as well as EA Engineering Science & Technology, Inc.

Finally, Mr. Kuis has retained Leader Environmental, Inc. to undertake a radiological sampling program of the Central Drainage Ditch located on the Somerset Group property. The ACOE is invited to split samples with Leader Environmental at the time this sampling program is conducted. You should contact Pete von Schondorf at (716) 248-2413 to determine the date and time of his scheduled site visit.

We look forward to our meeting on March 20th. Thank you.

Sincerely,

KNAUF KOEGEL & SHAW, LLP

Linda R. Shaw

LRS/soi

Enclosure

pc: Ron Kuis, Esq. (w/ encl.)

Alan J. Knauf, Esq. (w/ encl.)

Mr. John Syms (w/ encl.)

**DEPARTMENT OF THE ARMY
SITE ACCESS FOR ENVIRONMENTAL ASSESSMENT AND RESPONSE
AND SETTLEMENT AGREEMENT FOR ASBESTOS-RELATED CLAIMS
DACW35-9-99-1031**

**FORMER LAKE ONTARIO ORDNANCE WORKS -
SOMERSET GROUP, INC.
YOUNGSTOWN, NEW YORK**

**DERP-FUDS PROGRAM
PROJECT NO. 2FHENY002504**

This Site Access/Settlement Agreement (hereinafter "Agreement"), is hereby made and entered into on March __, 2000, by and between **THE SOMERSET GROUP, INC.** (hereinafter "Owner"), a New York Corporation, as the current owner of an approximately 37 acre tract of land located within the **Former Lake Ontario Ordnance Works**, and known as **Low-Port Industrial Park**, Balmer Road, **Youngstown, New York 14174** (hereinafter "Site"), and the **ARMY CORPS OF ENGINEERS** (hereinafter "ACOE") as an agent of the United States of America, with reference to the following facts and upon the following terms and conditions:

WHEREAS, between World War II and the Owner's acquisition of the Site in 1970, certain asbestos containing materials were dismantled from a former **Steam Plant and the former Air Force Plant 68 Buildings** (n/k/a Building 610), that were buried in **surface and subsurface soils on the Site** without the knowledge of the Owner and certain asbestos containing materials were present, now in friable condition within other buildings on the Site, one of which is currently occupied by **John and Eileen Syms** on a daily basis;

WHEREAS between August-December 1998, the ACOE and its contractor, **Environmental Quality Management, Inc.** (hereinafter "EQMI") and subcontractor, **Environmental Products and Services** (hereinafter "EP&S"), implemented an asbestos removal action for the purpose of **remediating friable asbestos contamination** present in **surface and subsurface soils on the Site** that resulted from the **dismantling of asbestos containing material** from the former **Steam Plant and Air Force Plant 68 Buildings** at the cost of approximately \$1 million (hereinafter "1998 Asbestos Remediation Project");

WHEREAS, a disagreement arose regarding the depth and extent of **material requiring remediation** covered by the terms of the contract known as **Delivery Order 01** under which **EQMI and EP&S** was performing its services during the **1998 Asbestos Remediation Project** and a significant quantity of **friable asbestos** was left at the Site (see examples of asbestos containing material left on site in Exhibit A), including **asbestos still present in on-site buildings**;

WHEREAS, the ACOE has aped to completely remove any and all **asbestos containing material**, in addition to the **specific tasks delineated** in correspondence dated October 21, 1999 (see Exhibit B), such that no **asbestos containing material** would remain present on the Site or in **on-site buildings** and restore such Site and buildings as agreed to under the terms of the former **Right of Entry Agreement** dated October 7, 1996 (see Exhibit C) in effect at the time **Delivery Order 01** was

being executed and pursuant to the terms of this Agreement;

WHEREAS, during and after World War II, use of chemicals was prevalent on the Site and left in chemical lines, waste lines and storage tanks that may have been released into soil and groundwater at the Site;

WHEREAS, the ACOE presented the results of preliminary data revealing groundwater contamination at the Site during a public hearing on March 2, 1999 and now desires to return to the Site to conduct Phase II of a more detailed Remedial Investigation/ Feasibility Study;

WHEREAS, it has been very difficult for the Owner to obtain copies of any data, and specifically raw or summarized data from the nine groundwater monitoring wells present on the Site and any other data demonstrating groundwater or other contamination of the Site, despite the terms of the October 7, 1998 Right of Entry Agreement which entitled copies of the final results and analysis of environmental sampling to be provided to Owner,

WHEREAS, Owner has agreed to grant site access pursuant to the terms of this agreement and ACOE wishes to complete the asbestos remediation, resolve its outstanding liability for damages caused during the 1998 Asbestos Remediation Project, conduct the Phase II RI/FS and obtain the as-built drawing for the Site in order to properly prepare a scope of work for the Phase II RI/FS;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, Seller hereby agrees to grant ACOE access to the Site to complete all remaining asbestos remediation work, conduct a Phase II RI/FS and settle claims for damages related to the 1998 Asbestos Remediation Project, on the following terms and conditions:

1. Asbestos Removal/ Abatement Project. ACOE shall: (1) conduct a survey of the Site measuring the depth of asbestos containing material in the soil pursuant to the plans and specifications required to be implemented by Delivery Order 01 during the 1998 Asbestos Remediation Project; (2) completely remove and properly dispose of off-site any and all asbestos containing material from surface or subsurface soils including, but not limited to, the transite panels described in paragraph 3(a) of correspondence dated October 21, 1999 (see Exhibit B); (3) completely remove and properly dispose of off-site any and all asbestos containing material from the three remaining building interiors or exteriors; and (4) restore any impacted portions of the Site with clean soil to grade and any impacted buildings to a condition such that drywall or other appropriate building material would be replaced with the asbestos containing materials enabling the buildings to be used in a safe condition. This work to remove and properly dispose of all asbestos containing material still present on the Site and in the buildings shall be described as the "2000 Asbestos Removal / Abatement Project". Environmental Quality Management, Inc. ("EQMI") and Environmental Products & Services ("EP&S"), the original asbestos remediation contractor and subcontractor, shall not be used to perform this work.

2. **Settlement for Damages Caused During Initial Asbestos Removal Project.** With respect to the damages caused during the 1998 Asbestos Remediation Project, including the failure to restore the Site to conditions which existed prior to the implementation of the project, and delineated in paragraphs 3(b-c) and 5 of correspondence dated October 21, 1999 (see Exhibit B), Owner agrees herein to waive its request to require the ACOE to perform this work in exchange for a settlement of \$210,000.00 in damages. This settlement figure consists of a \$132,000.00 cost estimate for road repair and \$78,000.00 for the remaining miscellaneous damage to buildings and other materials specified in a letter by Mr. Syms to the ACOE. This settlement is specifically limited to the items specified above, dealing with asbestos remediation only, and Owner reserves all rights to pursue all other claims he may have, including but not limited to all claims described in a claim letter dated August 25, 1999, and this settlement shall not be deemed a release of any such claim.

3. **Temporary License for Site Access.** Owner hereby grants to ACOE, and its employees, agents, consultants, and contractors, (collectively, "ACOE's Representatives"), a license to enter upon the Site in order to: (1) perform the 2000 Asbestos Removal/ Abatement Project; and (2) conduct such environmentally-related investigation activities including, analyses, studies, tests and sampling, as are reasonably necessary for the purpose of completing a RI/FS Phase II Report (herein 1 & 2 are referred to as "Activities"), and for no other purpose. ST1

4. **As-Built Drawings.** In order to facilitate the preparation of a scope of work for the Phase II RI/FS, Owner's president, John Syms, who traveled extensively around the country and collected and paid for the original as-built drawing for the Site, shall provide a copy of such drawing to the ACOE in exchange for \$_____. This sum represents a reasonable settlement for the direct expenses Mr. Syms incurred to obtain copies of the plans.

5. **Entry on Site.** This Agreement shall begin on the date hereof and shall end on the day both Activities are completed, whichever is latter. The Agreement represents a license that is limited in purpose and scope and temporal in nature such that the least amount of access required to undertake and complete the Activities is utilized. Owner shall work with the ACOE to facilitate completion of the Activities, provided ACOE and ACOE's Representatives fully comply with all applicable federal, state and local laws, rules and regulations.

6. **Non-Interference.** Owner continues to occupy the Site during normal business days. Therefore, all Activities are to be carried out in a manner to minimize damage, disturbance or interference with Owner and Owner's occupancy and use of the Site.

7. **Notification in the Event of Physical Disturbance or Excavation of Site.** When the activities shall involve the need to physically disturb the Site, including but not limited to installation of soil borings, monitoring wells or excavation, ACOE and ACOE's Representatives shall notify Owner at least ten (10) business days prior to the date said occurrence is to be undertaken, pursuant to the terms of this Agreement. The notification shall provide Owner with time to arrange to have Owner and/or independent consultants evaluate the relevant Activity work plans. Owner shall retain the right to receive split samples and to have independent consultants present on-site during such Activities for the purpose of handling split sampling and/or observing the Activities.

8. License Contingent Upon Prior Agreement on Scope of Work & Work Plan Documentation. Prior to entry onto the Site, ACOE and ACOE's Representatives shall provide Owner with a detailed description of the planned scope of work, including a written work plan, for implementation of the Activities. Notwithstanding the foregoing, this Agreement is contingent upon Owner's approval of the scope of work and work plan documentation, which among other things, must identify the number and general location of any planned borings, piezometers, monitoring wells and excavation locations, as well as the studies, testing, analyses and sampling to be performed. Owner's approval of the documentation may not be unreasonably withheld.

NO
Approval

9. Furnishing All Results to Owner. Upon execution of this Agreement, ACOE and ACOE's Representatives shall provide Owner and Owner's legal counsel, Knauf Koegel & Shaw, LLP ("Owner's Counsel"), with the results of any and all studies, testing, analyses, samples and data of any kind generated during the performance, implementation and completion of the Activities, to the extent such information has not been previously furnished to Owner or Owner's Counsel.

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10. Indemnification. ACOE and ACOE's Representatives hereby indemnify and hold harmless Owner and its respective officers, employees, agents, representatives contractors, subcontractors, and any of their respective successors and assigns, of and from any and all claims, demands, debts, causes of action, suits, judgments, damages, or liabilities of whatever nature (hereinafter "claims") caused by, resulting from, or arising out of the Activities and/or entry on the Site by the ACOE and ACOE's Representatives.

11. Termination of Agreement. Except with respect to Sections 2, 4, 9, 10 and 12 of this Agreement, this Agreement shall terminate immediately upon the completion of the Activities specified herein. ACOE shall promptly thereafter, but not later than 60 days, provide Owner with written notification that the Activities are complete. Under no circumstances shall this temporary license agreement be construed as granting ACOE or the United States of America, any right, title, or interest of any kind or character in or about the Site; however, this Agreement shall not prevent negotiations from continuing to settle other outstanding claims for non-asbestos Site contamination and exposure issues not covered by this Agreement, including potential reacquisition of the Site by the United States of America.

12. Miscellaneous Provisions

A. Insurance. ACOE, shall at their own expense, maintain or cause ACOE's Representatives to maintain, for the term of the Agreement, insurance policies covering all Activities at and related to the Site of the type and in the minimum amounts listed below:

1. Worker's Compensation insurance at statutory limits and Employer's Liability insurance with a limit of liability not less than \$1,000,000.00;
2. Comprehensive General Liability insurance, covering all claims of damages for in.. to person or persons, including death to ACOE, ACOE's Representatives, Owner, Owner's Representatives and

- others,* and all claims on account of property damage, including without limitation Contractual Liability, with a total limit of liability of (including umbrella coverage) at least \$2,000,000.00 each occurrence;
3. Comprehensive Automobile Liability insurance, a total of (including umbrella coverage) \$1,000,000.00 each occurrence; and
 4. Professional Liability insurance, including environmental insurance, at least \$5,000,000.00 each claim.

Owner shall be named as an additional insured on the above policies. All policies of insurance required to be maintained under this Agreement shall be written so that the Owner will be notified in writing of any cancellation, termination, restrictive; amendment of such policy at least thirty (30) days prior to the effective date of such cancellation, t ermination or restrictive amendment. ACOE shall provide Owner with certificates from insurers evidencing the above insurance.

B. Discovered or Generated Hazardous Substances. All hazardous substances, as defined under applicable federal, state or local law, that ACOE and/or ACOE's Representatives discover or generate on the Site as a result of implementing the Activities, including asbestos, shall become the sole property of the ACOE. ACOE shall be solely responsible for the proper handling, transportation, storage and disposal of such hazardous substances and, without limiting the foregoing, shall, if necessary, use the appropriate hazardous waste manifesting procedures for proper disposal of the material. All ACOE and/or ACOE's Representatives laboratory and field equipment are the sole responsibility of ACOE to decontaminate, and all hazardous substances arising from the decontamination of such equipment shall be managed in a similar manner. NO

C. Compliance with Applicable Law. n d ACOE's representatives shall fully comply with all applicable laws, rules and regulations and shall obtain all permits, consents, approvals and/or licenses required for the performance of the Activities undertaken pursuant to this Agreement.

D. Severability. The provisions hereof shall be deemed to be independent and severable and the inability, partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereto.

E. Entire Agreement. The Agreement embodies the entire Agreement between and among Owner and the ACOE and no prior oral or written representations shall serve to modify or amend this Agreement. The Agreement may only be modified by a written agreement signed by both parties.

F. All communications and notices provided for herein shall be in writing and shall be deemed to have been given either:

- i. When delivered in person to the recipient named below; or
- ii. On the date of delivery shown on the return receipt, after deposit in

the United States mail in a sealed envelope or other container, either certified or charges prepaid, addressed to the party intended as below; or

iii. On the date of delivery by facsimile transmission to the party intended as follows:

If to Owner:

The Somerset Group, Inc.,
John Syma, President
Lew-Port Industrial Park
1600 Balmer Road
Youngstown, New York 14174
Facsimile (716) 754-4385

with copies to:

Linda Shaw, Esq.
Knauf Koegel & Shaw, LLP
183 East Main Street, Suite 1250
Rochester, New York 14604
Facsimile: (716) 546-4324

Ronald Kuis, Esq.
12 Scenery Road
Pittsburgh, Pennsylvania 15221
Facsimile: (412) 731-3970

If to Army Corps of Engineers:

Ray Pilon, Project Manager
Department of the Army
Buffalo District, Corps of Engineers
1776 Niagara Street
Buffalo, New York 14207-3199
Facsimile: (716) 879-4355

with copies to:

Michelle F. Barczak, Asst. District Counsel
Department of the Army
Buffalo District, Corps of Engineers
1776 Niagara Street
Buffalo, New York 14207-3199
Facsimile: (716) 879-4292

G. Successors and Assigns. This Agreement shall bind and inure to the benefit of the assigned or the successors of the parties hereto.

H. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

WITNESS MY HAND AND SEAL this ____ day of ____, 2000.

WITNESS

THE SOMERSET GROUP, INC.

By: _____

John L. Syms, President

WITNESS:

ARMY CORPS OF ENGINEERS

By: _____

**Victor L. Kotwicki, Chief Real Estate
Division, Detroit District**

FACSIMILE TRANSMITTAL HEADER SHEET

For use of this form, see AR 25-11: the proponent agency is ODISC4

COMMAND/OFFICE		NAME/OFFICE SYMBOL		OFFICE TELEPHONE NO. (AUTOVON/COMM.)		FAX NO. (AUTOVON/COMM.)
FROM: Ray Pilon		CELRB-PP-PM		(716) 879-4146		(716) 879-4355
TO: Vic Kotwicki		CELRE-RE				313-226-7684
CLASSIFICATION	PRECEDENCE	NO. PAGES (Including this header.)	DATE/TIME	MONTH	YEAR	RELEASER'S SIGNATURE
			20-Mar-00			

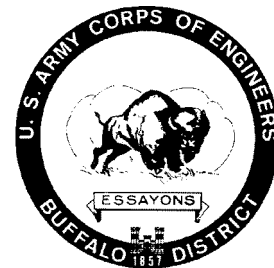
REMARKS:

Vic:

Attached is a thirteen-page fax that Michele Barczak received at 4:00 last Friday.

We plan on meeting these folks at 1:00 and will tie you into a phone call at about 1:30-2:00.

Ray Pilon



Space below for communications center use only

TRANSMISSION VERIFICATION REPORT

TIME : 03/20/2000 10:45
NAME : BUFF DIST ENG DIV
FAX : 7168794355
TEL :

DATE, TIME
FAX NO. /NAME
DURATION
PAGE(S)
RESULT
MODE

03/20 10:40
9-1-3132267684
00: 05: 18
14
OK
STANDARD
ECM